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MAY 24, 1965

AGRICULTURAL TRADE
AND BALANCE OF PAYMENTS

INDIA'S PORTS: GATEWAY
FOR U.S. FOOD FOR PEACE

FIRST U.S. CALVES
AIRLIFTED TO ISRAEL

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FOREIGN AGRICULTURE

Including FOREIGN CROPS AND MARKETS

A WEEKLY MAGAZINE OF THE UNITED STATES DEPARTMENT OF AGRICULTURE
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FOREIGN AGRICULTURE

Including FOREIGN CROPS AND MARKETS

MAY 24, 1965
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U.S. wheat, shipped to India under Food for Peace program, is often loaded onto trucks within a day after it arrives in Port of Bombay. See article on page 6 about India's ports.

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Agricultural Trade and the U.S. Balance-of-Payments Position

By realizing more fully the export potential of our farms, the U.S. balance-of-payments situation could be improved by many millions of dollars a year.

By CHARLES S. MURPHY

For more than 4 years, Mr. Murphy served as Under Secretary of Agriculture, and just recently he was appointed by President Johnson to be Chairman of the Civil Aeronautics Board.

Expansion of agricultural exports is one of the best possibilities we have for improving our balance-of-payments situation. It also is a possibility which depends very largely on the wisdom and vigor of our policies and actions, as well as on the productive genius of American agriculture.

At the present time, our farm product exports are moving ahead faster than shipments of industrial products. The gain in our commercial agricultural exports between 1958 and 1964— from $2.6 billion to $4.6 billion—was a whopping 80 percent. The gain for industrial goods—from $12.4 billion to $18.8 billion—was only 50 percent.

But both sectors of our economy can be proud. Our overall merchandise account balance has been favorable for many years. Since 1958 we have exported $139 billion worth of goods—industrial as well as agricultural. Over that period our total merchandise imports have amounted to only $109 billion. That gives us a favorable balance of about $30 billion on the merchandise account. Our dollar gap comes, not from merchandise trade but from such "invisibles" as cold war outlays, U.S. investment abroad, and tourist expenditures overseas.

Helped by P.L. 480 programs

We also are getting substantial balance-of-payments help from the approximately one-fourth of our agricultural exports that move under the Public Law 480—the Food for Peace program. These shipments had a value of about $1.7 billion in 1964.

We are using foreign currencies generated under Title I, P.L. 480, to pay such bills as embassy expenses, military outlays, and costs of market development operations carried on all over the world. About $233 million was used for these purposes last year.

The P.L. 480 barter program, which involves the exchange of U.S. farm products for various materials and services, also is helping us avoid certain dollar expenditures abroad. In 1964 we saved $113 million by bartering surplus food and fiber for such goods as post exchange supplies, petroleum, and jute bags, and for services connected with foreign-based U.S. aircraft and ships.

The long-term credit program carried on under Title IV, P.L. 480, is beginning to give us some balance-of-payments assistance now, and will provide more as time goes by. The program has accounted for almost $200 million worth of agricultural exports sold for dollars on credit terms up to 20 years. Last year $6 million in interest and principal was received—and in dollars.

During the past 30 years we have developed an elaborate system of price support and production adjustment programs to help bring stability of our agricultural economy in these times of rapid change. By and large, these programs have been successful. Farm income has been maintained at levels much higher than would otherwise have prevailed. If these programs were to be terminated now, net farm income in the U.S. would drop about 50 percent.

These programs have helped to stabilize prices of farm products in relation to the prices of other goods and services in our economy. Although they have achieved considerable success in doing this, farm prices have failed by one-fourth to keep up with other price increases for the past 10 or 15 years. Even so, U.S. prices for some of our basic export commodities have been above general world levels. This has been our dilemma: as we have sought to stabilize farm prices in a fair relationship to other U.S. prices, we have moved toward pricing ourselves out of world markets.

Some commodities not free to compete

We have met this problem in various ways, with export subsidies and the like. But the main point is that the system has been such that the producers of some of our basic commodities—notably wheat, cotton, and tobacco—have not been free to compete fully for world markets at world prices. They could not do this because their total production has been confined by programs geared to stabilizing their position in the domestic economy. This dilemma is leading us to examine more seriously than ever before modifications in our farm programs to permit separate treatment of production for domestic use and production for export.

We moved in that direction significantly with the wheat legislation enacted last year. Under the new wheat program, part of the producers' return is provided in the form of certificates, while the wheat itself moves through the marketing system at prices supported by a loan at near world price levels.

This program is proving feasible, and we hope it will be extended. Among its other virtues, it is a voluntary program—and any farmer who wants to stay out of it can grow and market all the wheat he pleases without let or hindrance. But more important for our present purposes, this "two-price" system gives us a method for permitting our wheat farmers to compete for world markets on even terms with producers in other exporting countries. At the same time, it should reduce the need for us to restrain production by artificial means; and, to the extent our producers can compete successfully for export markets on these terms, it opens up opportunities for our highly efficient agriculture to make a greater contribution to our balance of payments.

Export aids insure market share

We have an effective set of export aids available for agricultural production at the present time. The Export-

Import Bank can make credit available. The Commodity Credit Corporation can sell for export on credit terms, and can also sell for export at prices below U.S. internal levels. In addition, CCC is authorized to pay export subsidies on agricultural products.

Our purpose is to administer these aids vigorously to make sure we achieve a fair share of the world's export markets. At the same time, it would be unwise and self-defeating to go beyond that to price wars and unfair competition that are or would be harmful to all exporting nations, including the United States. In fact, we have an obligation under the GATT not to use export subsidies beyond what is necessary to achieve this fair share.

Our justification for paying subsidies, of course, lies in the restrictions we place on the production of crops, and the fact that we do not seek through a combination of support prices and export subsidies to obtain an undue share of world markets. The responsibility for administering these programs so as to provide enough export assistance without providing too much is a heavy one. It frequently leads to difficulties in our relationships with other exporting countries, as well as with our own producers and exporters. This is an additional reason for modifying our domestic farm programs to eliminate the need for export assistance in so far as practicable.

Self-defeating actions possible

Encouraging agricultural exports is a field of activity where it is terribly easy for one to get tangled up with his own feet. There are some programs which administered one way will increase dollar exports, and administered differently will decrease them. The thread of consistency is not always easy to follow, but we must search for it constantly.

Barter transactions, for example, can be good for the balance of payments, or they can be bad. The idea that we can swap surplus agricultural commodities for something else to store in another stockpile with no adverse consequences is far too simple. The disposal of the bartered agricultural commodities can, and almost always does, displace dollar sales in some degree. Obviously, it is better to get cash dollars for our agricultural exports than some mineral that we might or might not use—and this has an immediate effect on the balance of payments.

We have rules to require a showing of "additionality"—that dollar sales will not be displaced. But these rules are difficult to administer, and their effectiveness cannot be precisely measured. In each barter transaction there has to be a value judgment as to whether, on the whole, the advantages outweigh the disadvantages. Cotton merchants seem to have concluded that, on the whole, barter has a negative effect and they do not support it.

In the past 2 years, we have shifted the main thrust of our barter program to aiding off-shore procurement for the whole government. These are cases where dollars would otherwise be spent abroad, and payment is made with our agricultural commodities instead. Additional materials to be stockpiled—which would not otherwise be procured—are not imported. Most of this business is done in cooperation with the Department of Defense and the Agency for International Development, and it is working successfully. This type of barter makes a real balance-of-payment contribution without the risk of displacing dollar sales to obtain unneeded materials.

Export licenses are another example. Some agricultural commodities can be exported to Soviet Bloc countries without obtaining an export license in each individual case; others cannot. In general, the dividing line is that if there is a price support program for the commodity, a license is required; otherwise, not. Thus, we require a license for the commodities we most need to export, but not for the others. This licensing requirement is a substantial impediment to export sales. If it were removed, we almost certainly would have a prompt and significant increase in agricultural exports.

Cargo preference

A related matter is the requirement that when a license is issued for grain exports to the Soviet Bloc, a condition is imposed that at least 50 percent must be moved in U.S. ships. No similar requirement exists in the case of other commercial sales which (except as to this shipping requirement) would be made on exactly the same terms to other countries.

This cargo preference requirement was first established when the sale of wheat to Russia was under consideration in 1963, and at that time it appeared that this requirement would not interfere with such sales. However, it has not worked out that way. In fact, the evidence is rather clear that except for this requirement the sales to Russia in 1963-64 would have been approximately twice as large as they were.

This year, Russia again is importing rather substantial quantities of wheat from Canada and Australia—but not from the United States. It is plain that the reason we are not being considered for these purchases is because this U.S. shipping requirement adds substantially to the cost which the purchaser would incur. Thus, the actual effect of this requirement now is not to provide business for the U.S. Merchant Marine but to prevent U.S. longshoremen, exporters, and farmers from having employment and earnings that would otherwise accrue.

Selling at a loss poor business

Then there are export subsidies, which, if excessive, might be self-defeating. Obviously, the returns per unit to this country as well as to others will be less the lower the price is. Selling a large volume of goods with a loss on every unit is not very good business and should be avoided.

Therefore, one should not assume we can greatly increase the benefits from our export markets just by lowering our export prices. Competing exporters can lower their prices too; and we can all go down together, without any commensurate increase in our volume of sales. And while we cannot afford to hold a rigid umbrella over world prices at a level which robs us of our competitive position, neither can we afford to trigger a global price war, heedless of the consequences.

Trend toward growth

We can do much to realize more fully the export potential of U.S. agriculture. If we move along the lines indicated, we can count on consistent growth in our exports. There may be temporary ups and downs, but the trend should be strongly toward growth. Obviously, this growth cannot be quantified with precision, but the contribution it can make to improving our balance-of-payments position might well increase at the rate of several hundred million dollars a year.

West Pakistan Working To Expand Its Banana Industry

To save on foreign exchange, West Pakistan in the past decade has been building up a commercial banana industry of its own in a former desert region.

The region—a narrow belt of land 100 miles long by about 40-50 miles wide and east of the Indus River between Hyderabad-Mirpurkhas and Nawabshah—supports production of a dwarf variety of banana, Basrai. About 5 to 6 feet tall, compared with the usual 25 to 35 feet, the Basrai is grown under irrigation and can stand up well to the windy climate of this area. Its leaves are broad, its fruit large and curved with a greenish skin, and its flesh soft and sweet. Yields, at an average of about 20 to 30 pounds per bunch, however, are well below those of most varieties in Central and South America, which often reach more than 60 pounds.

Tests with the Basrai and other types have been going on since about 1938-39 at the Government Fruit Research Station at Mirpurkhas, but government promotion of commercial production did not begin until about 1956. This encouragement, coupled with earlier efforts by farmers to grow bananas, has helped to increase acreage planted to the Basrai variety from about 6,000 acres in 1960 to around 10,000 at present. Most producers have 5 to 20 acres of bearing banana plants, but some have 100 or more.

A central wholesale auction market at Hyderabad handles the bananas for the growers. Volume here reaches 10,000 bunches a day at peak, and is increasing yearly.

Production of bananas has proved quite profitable, and they have been able to compete successfully with such crops as cotton and sugarcane for the limited supplies of water and for the best land. However, the industry must first overcome two problems: One is that most other areas are either too windy or have too extreme temperatures to support growth of the product; the other, that the Basrai's poor keeping and shipping quality prohibits substantial widening of the market.

—HARRY R. VARNEY
U.S. Agricultural Attaché, Karachi

Below, new banana plantings on a farm near Hyderabad. Right, man inspects an unusually fine bunch of Basrai bananas.

Above, truck, which has just been loaded with 150 bunches of bananas, is ready to start for Hyderabad market. Right, the Government Fruit Research Station, Mirpurkhas.

Indian Sea Ports: Gateways for American Food for Peace

By ROSS L. PACKARD
Assistant U.S. Agricultural Attaché
New Delhi

Burdened with its vast ever-growing population and an underdeveloped agricultural economy, India has not been able to produce the food it needs. In these years of crisis—which are likely to continue for some time—U.S. surplus foods, shipped to India under the Food for Peace program, have done much to relieve shortages and reduce suffering.

That these foods—25 million metric tons of wheat and 1.5 million of rice since 1956—have been brought in and placed into the country's inland transportation system is a tribute to the ports of India. Yet no other aspect of India's grain importation has been subject to closer scrutiny and more criticism than the port operation.

When measured against available facilities and longtime traditions, the contribution of the ports has been outstanding. They have demonstrated their ability to handle, despite obstacles, over 600,000 metric tons of food grains a month. Unfortunately, pressures on the ports have grown greater each year. Furthermore, labor unrest, almost traditional in some ports, coupled with the fact that the labor force often stands in the way of modernization of port facilities, looms as a most complex problem for port authorities. Still another is the movement of commodities from port areas to internal distribution points.

Port studies have been made to see if better and more modern methods could be found to improve the handling of food grains. U.S. AID (Agency for International Development) experts have done considerable research, and so has the Indian Government's Committee on Grain Handling at Ports, and already their findings are helping to bring about some of the streamlining that will provide the continuous flow of food grains into India during the months to come.

The five major food grain ports of India are Bombay, Calcutta, Kandla, Madras, and Visakhapatnam. The lesser ones are Navlakhi, Bhavnagar, Mormagao, Cochin, and Haldia. And, as the following table shows, they vary widely in their capacity to handle food grains; the peak capacities given are based on improvements being made:

INDIAN FOOD GRAIN PORTS [1]

Port	Normal capacity per month	Peak capacity per month
	1,000 metric tons	*1,000 metric tons*
Bombay	220	240
Calcutta	195	225
Kandla	95	120
Madras	90	130
Visakhapatnam	40	60
Navlakhi	---	35
Bhavnagar	---	30
Mormagao	10	10
Cochin	---	10
Haldia [2]	---	---

[1] Most of material in this table is from report of the Indian Port Facilities and Cargo Handling Improvement Team, U.S. AID, to Government of India. [2] Grain transferred to lighters so that ship can proceed up the Hooghly River to Calcutta.

There is also considerable variation in the operations of the different ports. Bombay, with its fine natural harbor, stands in sharp contrast to Calcutta, which can only be reached by a trip up the relatively shallow Hooghly River. Consequently, lightening at Madras or Visakhapatnam becomes a necessary part of successfully docking a large ship at Calcutta. Also, tides vary widely: ships at Kandla are subjected to a daily 24-foot difference, while at Bombay the difference is only 4 feet.

Bombay—fine but overworked

Bombay, known as the Gateway to India and located on the country's west coast, provides one of the finest natural harbors in India. It is also one of the country's most overworked harbors. Eighteen deep-water berths service all the needs of this busy port, and of these, four are reserved for grain ships. Because of this priority, ships are no longer required to wait in stream for a berth—a marked improvement over several months ago when some lay at anchor for weeks.

Future plans for handling food grains at Bombay call for the use of two berths, but unloading operations will be improved to make these two more efficient than the four now being used. Grain will be evacuated and elevated onto the second floor of the sheds where it will feed into hoppers, with bagging taking place on the ground floor. At present, grain unloaded by evacuators accumulates in high piles on the ground floor, and for each pile a 26-man crew is kept busy bagging, weighing, and loading the grain on trucks. Under the new system grain will be weighed in some form of mechanically operated hopper and quickly bagged—although large labor crews will continue to be used because of union rules. This new system of feeding the grain onto the second floor will also make it possible to clear the congestion now existing between the shed and the ship.

Calcutta's grain handling limited

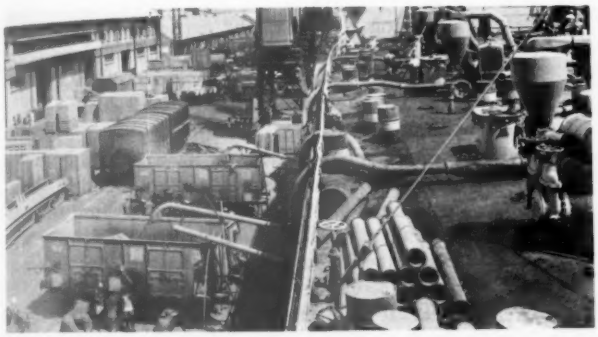
Calcutta serves the need for a northerly located port on India's east coast. Severe draft restrictions and limiting bore tides of the Hooghly River present problems; however, the tides are skillfully surveyed and predicted. What lowers the port's capacity to handle food grains is the lightening facilities at Visakhapatnam and Madras.

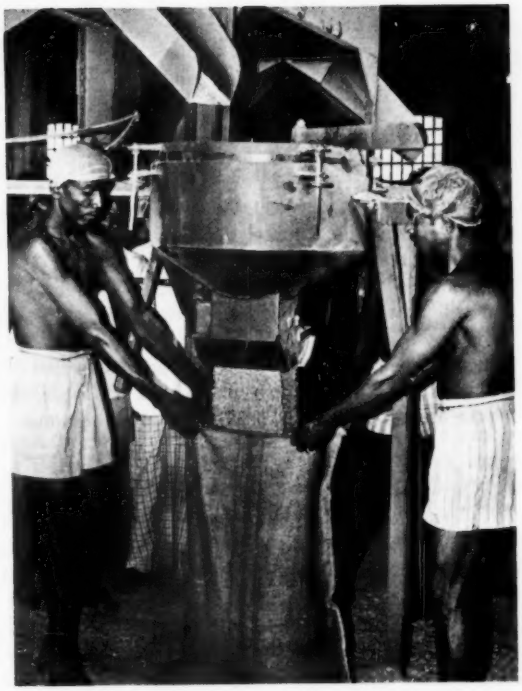
At Kidderpore Docks in Calcutta where unloading takes place, the grain is shoveled into 180-pound bags in the ship's hold, and slings of 13 to 18 bags are hoisted out and deposited on the dock. Dockhands carry the bags into warehouses and stack them; later they are loaded onto freight cars and hauled to interior warehouses. Eventually a system of silos near the docksides will be used for bulk storage of about 10,000 tons of wheat, with an overhead transfer system for moving the grain from the ships. When this is completed—the silos are already built—some ships will be discharged mechanically, while others will continue to be offloaded by conventional methods.

Madras and Visakhapatnam

India's fourth most important food grain port, Madras, is the major lightening port for ships proceeding to Calcutta. It has an excellent harbor, well planned and generally well managed, and is equipped to unload four grain

Right, at Bombay dockside sheds workers scoop up grain in shallow pans, then bag. Below, grain at Madras is evacuated directly from ship into boxcars, which, as the lower picture shows, makes bagging comparatively easy. Bags are handsewn here.





This new device at Bombay permits grain to flow from second floor into hopper which weighs and then bags.

Below, grain arriving at Bombay is sucked from tankers onto a moving belt which dumps it on shed floor. Right, wheat loaded on open trucks goes direct to shops or warehouses.

ships at a time. Most ships are unloaded by using tarpaulins which are lowered into the hold, piled with wheat, and then hoisted out over the dock where the grain is released into a stationary railroad car. Grain flows from chutes in the car's side into bags which are hand-stitched before moving into freight cars or trucks.

Visakhapatnam, on the east coast of India midway between Calcutta and Madras, is more advantageously located than Madras to the consumer markets for wheat. However, it is an extremely important port for India's ore exports and the movement of general cargo, so that only limited berthing space is available for food grains. Currently, about 40,000 metric tons of food grains are offloaded each month, but the capacity could be increased to 60,000 tons. The use of chuted freight cars, as in Madras, would help.

Kandla—a very promising port

A relatively new port, Kandla is the third most important in India and definitely the most promising from the standpoint of the future handling of grains. Located in the Gulf of Kutch on the country's northeast coast, it may someday rival Bombay, as plans in progress call for the establishment of a free trade zone.

The harbor, on the west bank of Kandla Creek, is naturally sheltered, providing a safe refuge for ships, and while the 24-foot tidal differences affect the entering or leaving of the port, they do not interfere with the unloading. Two food grain ships can be docked and unloaded at the same time, and the goal now is to unload two every 10 days, or a total of six ships a month.

Kandla is already better mechanized than most ports, and will be even more so when completed. Grain is unloaded by evacuators and is bagged and weighed mechanically: the bags are sewn by machine. Plans call for installation of 25 more grain evacuators this year, making it possible to achieve the goal of six ships a month.

The port's biggest problem is the movement of grain from the port area to internal distribution points. All grain has to leave the area on a small-meter railroad line, and allocation of railroad cars is such that only a part of the grain unloaded each day can actually be shipped. The wide-gage railroad now being constructed will eliminate this bottleneck.

Ports used temporarily

Other Indian ports are handling food grains on a temporary basis, unloading several ships a month.

Mormagao, a fine natural all-weather harbor on India's west coast, is handicapped because only 210 to 240 tons of grain per day can be cleared from the port area by railroad, with some additional tonnage by truck. Also, only one 10,000-ton food grain ship a month can be expected to clear this port.

The same is true for Cochin, a natural south Indian harbor, with lagoons and backwaters providing good shelter in all seasons. Facilities at Cochin are limited: bulk grain has to be bagged in the hold, lifted out in cargo nets, deposited on the dock, and carried to transit sheds for loading into rail cars, trucks, and small river boats. Direct loading of trucks and river boats, bypassing the transit sheds, would work a great improvement.

Calicut and Alleppy, in the extreme south of India, played an important part last winter in handling bagged rice during the rice crisis in southern India, and in recent months, Navlakhi, on the Gulf of Kutch, and Bhavnagar, on the Gulf of Cambay, were used to offload wheat. At best though, these minor ports will serve only as emergency ways of increasing port capacities during times of extreme stress. It is in the big ports that the food grain facilities must be maintained, and if possible increased, in order to handle the tremendous volume of food grains needed during the period in which India struggles for self-sufficiency in food production.

Bank Loan To Help Peru Expand Its Farm Acreage

The World Bank has approved a loan of $11 million to Peru in support of the government's program to increase the amount of arable land available for settlement and farm production. The loan will benefit the San Lorenzo project for the irrigation and settlement of once-arid land on the coast of northern Peru—an area which may eventually involve about 125,000 acres.

The project brings together irrigation, farm credit, and a wide range of technical services for the purpose of increasing the output of food and cash crops, both for domestic consumption and export. Besides raising farm income and improving standards of living in its own area, the San Lorenzo project is serving as a model for the development of irrigation, land settlement, agricultural education, and social services in other parts of Peru.

The San Lorenzo project is located about 600 miles north of Lima, near the Ecuador border. The works have been carried out in stages: the first stage, which was financed by the Peruvian Government and completed in 1953, consisted of diversion works, canals, and tunnels to supplement water from the Piura River for the irrigation of lands in the Piura Valley.

The second stage, which was assisted by a World Bank loan of $18 million and completed in 1959, consisted of enlarging the facilities of the first stage and the construction of a dam and reservoir and of a canal and lateral system for the irrigation, development, and settlement of the San Lorenzo project area. Since then about 35,600 acres in the San Lorenzo project area have been developed and settled.

The third stage, to be assisted by the current Bank loan, consists of the development and settlement during 1965-67 of some 44,000 acres and the further improvement of the area already settled. The San Lorenzo facilities also supply water to farmers in the Piura and Chipillico Valleys for the irrigation of approximately 82,500 acres.

Development and settlement at San Lorenzo did not at first take place as quickly as had been expected; it has greatly accelerated in the past few years, however, and the project is emerging as a successful one financially, economically, and socially.

The range of possible cropping patterns is large because of the year-round growing season and favorable soil types. Land thus far settled is being farmed principally in cotton, maize, root crops, fruit and other tree crops, vegetables, and forage crops. A diversified pattern, including livestock, is being encouraged to spread water use, work, and income more evenly throughout the year.

Israel Airlifts in 357 U.S. Calves Following Test Shipment

Israel has just imported 357 U.S. calves following a successful test shipment of 30 head in late March—making it the second country to bring in U.S. calves via regularly scheduled airlines.

The shipment of calves—ranging in age from 2 to 3 weeks and principally of the Holstein breed—arrived in excellent condition after the 13-hour flight from New York's Kennedy International Airport to Tel Aviv. The Israeli Veterinary Institute is keeping some for testing, with the remainder distributed to farmers throughout the country.

Assuming good results with the calves and no marked improvement in Israel's tight meat supply situation, the importer anticipates purchases of up to 15,000 head by May of next year.

The calves will be fattened to about 1,000 pounds by the importer and selected farmers under the supervision of the Israeli Veterinary Institute and Ministry of Agriculture specialists. Plans are to keep detailed records on the performance of all calves in an effort to determine which methods of feeding and management are best suited to local conditions.

The initial shipment on March 21 followed the report of an Israeli veterinarian on U.S. veal shipments to Italy of some 10,000 head during the past 10 months. This on-the-spot study is the most comprehensive yet made on airlifting and raising baby calves for slaughter, as well as how to overcome problems.

Since weight is a major determinant of shipping costs, a prime objective of the trial airlift was to get further information on the ages at which calves can be most profitably imported and still have a reasonable resistance to disease and infections. The 30-head shipment consisted of 10 each in the 1-, 2-, and 3-week age groups.

After a 2-week waiting period—during which the calves would have reacted to such factors as temperature changes during transit and the trauma from sustained flight and confinement—U.S. Agricultural Attaché in Tel Aviv Valorous H. Hougen reported: "All calves arrived in good health. Though they lost an average of 10 percent in weight, the weight loss had been regained 2 weeks after the calves' arrival and all are now gaining normally on milk-replacer ration. No significant difference has been noted in the condition of the calves in the various age groups," he said.

Sizable imports of calves for fattening are seen a possible means of meeting Israel's increasing need for red meats. Despite an 8-percent rise in the country's beef production from the previous year, the 17,000-metric-ton output was insufficient to satisfy the steadily mounting demand. Major expansion of beef output depends on providing for more grazing areas, a type of land which in Israel has a number of alternative uses.

In addition to importing frozen meat, Israel has tried to fill the supply-demand gap with imports of slaughter cattle, primarily from Turkey now that Western Europe's supplies have been largely depleted. But this trade has been dampened by recent outbreaks of hoof and mouth in Turkish cattle.

Within the past 5 years, Israel has also imported baby calves from Western Europe with good results. The United States has the largest supply of baby calves available in the world.

U.S. Sales of Dehy Alfalfa to Western Europe To Increase This Year, Industry Team Predicts

Dehydrated alfalfa exports from the United States to Europe in 1965 could equal the near record set in 1963, according to an industry team just back from a market development trip to the Continent.

Encouraging, too, are measures proposed by the Federation of Dehy Associations in the European Economic Community. These could lead to greater cooperation with the U.S. industry, which is continuing its efforts to up usage of dehy in mixed feeds throughout Western Europe.

Assessing the potential for expanded utilization of dehy in Europe, and its effect on U.S. exports, was a prime objective of the recent 2-week trip of American Dehydrators Association officials Carrol Syverson and Richard L. Kathe in cooperation with the U.S. Feed Grains Council.

Because of a continuing deficiency of moisture in northern Europe, the team foresees no significant increase in Europe's output of dehy in 1965.

France, a major producer and exporter, was expected to dehydrate 140,000 tons of alfalfa in 1964, but actual output was 100,000. The United Kingdom's production of less than 90,000 tons was off 10 percent last year; the same situation exists in the Netherlands and Belgium.

For the six EEC countries and Denmark, 1964 output totaled 410,000 tons, about 40,000 tons below the level forecast.

"The drought of last summer has not truly abated," the report stated. "Moisture deficits of several inches still exist in England and across northern Europe. It is likely that U.S. dehy exports in 1965 will equal or exceed the 75,000 tons exported in 1963, unless significant moisture surpluses are experienced this spring and summer in Europe."

The prospect of temporary leveling-off of alfalfa production in Western Europe comes at a time of mounting demand for dehy usage in mixed feeds. Its percentage in several manufactured feeds is increasing.

Europe's feed output rising

Mixed feed production in Europe has shown steady increases since World War II, with the exception of 1963. West German production and sales in 1964 were at 5.6 million tons, topping the previous year's record by about half a million tons. Similar gains occurred in other Western European countries in 1964.

The report stated that while the 1965 outlook is for "modest increases"

(Continued on next page)

(Continued from page 9)

in Western Europe's feed sales, feed company purchasing agents will be more price-conscious than in the past. In the first half of 1965, manufacturers in some countries expect lower net profits. In those areas, poultry producers are limiting production to avoid a depression in the face of declining prices for meat and eggs, and unfavorable feed conversion. Overextension of credit, high ingredient costs, and inability to raise feed prices add up to a difficult 6 months for feed manufacturers.

Despite some bearish areas, U.S. dehydrators expect to make trading gains in the current calendar year. Foremost, the buyers of Western Europe are looking for a quality product, one that U.S. dehydrators can best supply.

EEC dehy group cooperative

Meanwhile, the Common Market's dehy federation, known as CIDE, has expressed a willingness to cooperate with the U.S. industry's efforts to increase dehy consumption in Western Europe.

At a joint meeting in Paris with the U.S. team, CIDE proposed that the American Dehydrators Association be represented at monthly and special sessions of the European federation. CIDE also proposed an exchange of technical information on usage of dehy in manufactured feeds, and a world congress of alfalfa dehydrators that may be held later this year.

CIDE'S intention to work more closely with U.S. dehydrators is interpreted to mean that U.S. dehy will —this year at least—have continued access to the EEC's dehy market, since any impetus for variable levies against third-country imports would be likely to come from CIDE itself.

There exist, however, some trade barriers. France, the United Kingdom, Greece, and Switzerland all have ad valorem duties, but the biggest U.S. concern is over the system of import licenses and tenders used by West Germany, where there is the greatest potential for U.S. dehy exports. The United States is the only major exporter outside the Soviet Bloc to which the tender system applies.

To give many importers a share of the business, the West German Government frequently splits the tenders—with the result that the quantities under these individual licenses are too small to make purchasing economical. In addition, the irregularity with which the licenses are issued discourages imports by feed producers who need a steady supply of dehy.

German liberalization of imports

Many German dehy tradesmen are hopeful that U.S. imports will be liberalized in 1967.

"Notwithstanding these barriers," the report continued, "German feed manufacturers as well as feedmen elsewhere in Europe show a high interest in importing U.S. dehy. They are becoming increasingly aware of its reliable and consistent quality 12 months a year."

To maintain the quality of dehy—which is susceptible to oxidation—U.S. producers store the alfalfa in tanks or silos containing inert gas, and apply anti-oxidants to the alfalfa as it is being made into pellets.

European dehydrators, on the other hand, have difficulty in supplying the same quality material 12 months a year, because of insufficient gas-storage facilities (total capacity of 22,000 tons against 700,000 in the United States), and anti-oxidants are applied to only a fraction of the total production.

Promotion expands use

The report said that the growing awareness by European feed manufacturers of the advantages of U.S. dehy is "a credit to the promotional efforts of the U.S. Feed Grains Council, the U.S. agricultural attachés and other FAS representatives in Europe, and to those engaged in the marketing of our product."

Dehy market development is an integral part of programs to expand the utilization of U.S. feed grains in Western Europe through the exchange of trade teams, participation in technical conferences, and actual feeding demonstrations.

In the United Kingdom, for example, the USFGC this year is planning demonstrations with beef cattle, lamb, and hog feed rations containing dehy. During the past 2 years, tests have been run on dehy rations for the fattening of lambs and results are now being distributed to the entire U.K. feeding industry.

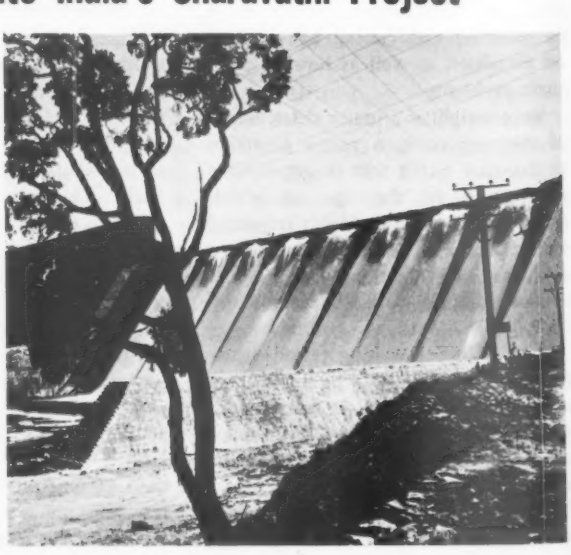
Biggest Single P.L. 480 Loan Going Into India's Sharavathi Project

India's new Sharavathi Hydroelectric Project—expected to play an important part in relieving the country's critical power shortage—represents the largest single U.S. investment of P.L. 480 funds for economic development in the world. (Project's biggest dam is at right.)

When the last of the 10 generators blueprinted for the giant project begins operating in 1968-69, the United States will have supplied $121.8 million of the project's $210-million cost will have helped raise India's power capacity by more than 1 million kilowatts. The first generator, which was set in motion a few months ago, has already increased capacity in the State of Mysore by 50 percent.

Although much of the power generated will go to speed up the industrialization of Mysore State, Sharavathi is also expected to boost agricultural production by energizing thousands of pump sets for irrigation wells.

Total cost of the Sharavathi project will be recovered from power revenue, with annual revenue from the one generator alone around $2 million.



Common Market Largest Beef Importer

During 1964, the European Common Market was the largest net importer of dressed beef and live cattle—surpassing the United States and the United Kingdom, which have been ranking first or second in the world—according to preliminary figures of the Commonwealth Economic Committee.

The Committee estimates that net EEC imports of fresh and frozen beef in 1964 totaled 827 milljon pounds, compared with 750 million for the United Kingdom and 670 million for the United States. EEC imports increased from only 94 million pounds in 1962 to 827 million in 1964. Imports by the United Kingdom have remained fairly constant, ranging from a low of 724 million in 1962 to a high of 795 million in 1963. U.S. imports of fresh and frozen beef and veal reached a peak of 977 million pounds in 1963 but declined substantially in 1964.

EEC countries imported an estimated 764,000 head of cattle from other countries in 1964 compared with 785,000 a year earlier. U.S. net imports declined from 1,231,000 head in 1962 to 485,000 in 1964, the lowest level since 1956. U.K. imports amounted to about 400,000 head last year. In most years the United States is the world's largest importer of cattle, bringing in large numbers from both Mexico and Canada.

NET IMPORTS OF FRESH AND FROZEN BEEF AND VEAL AND CATTLE BY THE U.K., U.S., AND EEC

Item	1962	1963	1964
Fresh and frozen beef and veal:	*Mil. lb.*	*Mil. lb.*	*Mil. lb.*
EEC	94	484	[1]827
United Kingdom	724	795	750
United States	860	977	670
	1,000	*1,000*	*1,000*
Cattle:	*head*	*head*	*head*
EEC	581	785	[2]764
United Kingdom	446	469	400
United States	1,231	830	485

[1] Product weight. [2] Partly estimated.
Data for U.K. and EEC from Commonwealth Economic Committee. U.S. data from the Bureau of the Census.

U.S. Imports of Meat Products Higher in March

U.S. meat imports in March were above the monthly levels set during January and February when the dock strikes held up shipping. March arrivals of all meats were 7 percent above a year earlier with increases in all major items, except mutton and canned beef. Pork imports were up 36 percent, reflecting lower U.S. production.

Total meat imports during January-March, however, were down 28 percent from those of a year earlier. Beef was down 33 percent and lamb and mutton, even more. Pork imports were up 5 percent.

Dutiable (apparel) wool imports rose sharply in March, and the total for the first 3 months was up 42 percent, reflecting lower world wool prices. Also, U.S. imports were relatively small in early 1964. Imports of duty-free or carpet wool in March 1965 were 41 percent above those of March 1964, but the total for the first 3 months this year is still down 37 percent.

Imports of most kinds of hides and skins showed big increases in March from a year earlier. For the first 3 months of the year, imports of buffalo hides and calf, sheep and lamb, and pig skins were above year-earlier levels, but arrivals of cattle and horse hides, kip, goat, and kid skins down.

Imports of cattle in March totaled 57,092 head, 9 percent more than those of a year earlier. Total arrivals in January-March were 12 percent below the relatively small imports of early 1964.

U.S. IMPORTS OF SELECTED LIVESTOCK PRODUCTS

Commodity	March		Jan.-March	
	1964	1965	1964	1965
Red meats:				
Beef and veal:				
Fresh and frozen:	*1,000*	*1,000*	*1,000*	*1,000*
Bone-in beef:	*pounds*	*pounds*	*pounds*	*pounds*
Frozen	223	435	891	707
Fresh and chilled	1,090	751	4,399	2,007
Boneless beef	60,583	62,814	176,192	120,748
Cuts (prepared)	79	68	241	526
Veal	1,320	1,849	4,165	3,542
Canned beef & beef sausage	7,450	5,494	25,257	11,613
Prepared and preserved	688	1,603	1,485	3,525
Total beef and veal	71,433	73,014	212,630	142,668
Pork:				
Fresh and frozen	3,322	3,722	9,929	10,626
Canned:				
Hams and shoulders	14,164	18,859	36,211	36,312
Other	1,475	3,401	4,394	6,270
Cured:				
Hams and shoulders	168	151	399	382
Other	340	448	1,081	1,213
Sausage	207	193	434	370
Total pork	19,676	26,774	52,448	55,173
Mutton and goat	5,661	2,806	15,335	4,330
Lamb	770	1,817	3,709	2,319
Other sausage	361	472	1,116	1,389
Total red meat	97,901	104,883	285,238	205,879
Variety meats	179	83	486	320
Wool (clean basis):				
Dutiable	8,073	18,570	26,495	37,710
Duty-free	8,858	12,478	32,117	20,275
Total wool	16,931	31,048	58,612	57,985
	1,000	*1,000*	*1,000*	*1,000*
Hides and skins:	*pieces*	*pieces*	*pieces*	*pieces*
Cattle	24	14	77	51
Calf	14	34	65	97
Kip	33	48	140	137
Buffalo	34	79	116	146
Sheep and lamb	4,370	6,322	8,651	9,183
Goat and kid	1,099	1,687	3,572	3,027
Horse	28	25	117	61
Pig	161	328	434	503
	Number	*Number*	*Number*	*Number*
Live cattle[1]	52,204	57,092	165,513	145,264

[1] Includes cattle for breeding.
U. S. Department of Commerce, Bureau of the Census.

Argentina's and Chile's 1965 Pulse Production

The 1965 pulse harvest now nearing completion in Argentina and Chile is 400,000 bags larger than in 1964 and 1 million bags larger than the 1955-59 average.

Contributing most to the increase was Argentina's large crops of peas, beans, and lentils. Peas were up 400,000 bags from last year; beans increased by 200,000 bags and lentils by 100,000. Argentina's pulse crops were double the prewar average.

Chile reports that beans are 300,000 bags less this year than last and peas 80,000 bags less, but both are

above their 1955-59 average. Lentil production, on the other hand, is 30,000 bags above last year's but 100,000 bags below the average. Chile reported a 12-percent decline of lentil yield per acre this year owing to the Roya disease and late rains during harvest.

PRODUCTION OF PULSES IN ARGENTINA AND CHILE

Country and year	Beans	Peas	Lentils	Garbanzos	Total
	1,000 bags	*1,000 bags*	*1,000 bags*	*1,000 bags*	*1,000 bags*
Argentina:					
1955-59, Av.	503	334	199	159	1,195
1964	644	370	262	125	1,401
1965	871	769	364	132	2,136
Chile:					
1955-59, Av.	1,781	231	311	108	2,431
1964	2,101	456	180	127	2,864
1965	1,808	375	211	146	2,540

Chile's exportable supplies of beans in 1965 are forecast at 420,000 bags. Half of the beans may be Arroz and a third Cristales; the balance of them, Red Kidney and Red Mexican.

Exportable supplies of lentils are not forecast by Chile, but 340,000 bags were exported in 1964. However, the Ministry of Commerce on February 3, 1965, authorized an export quota of 65,000 bags of small lentils from this crop. There are no restrictions for exports of large and medium-size lentils.

Argentina estimates that exportable supplies of lentils this year will total 110,000 bags, unless prices drop drastically.

Exports totaled 10,300 bags in 1964 and 60,000 bags in 1963.

Following are price quotations as of early April 1965:

Item	Argentina f.a.s. Buenos Aires	Chile f.o.b. port
	Dol. per cwt.	*Dol. per cwt.*
Beans:		
Arroz	---	6.70
Cristales	---	8.20
Red Kidney	---	9.15
Red Mexican	---	5.30
Peas:		
Superior quality	3.50-3.80	---
Green	---	2.15
Yellow	---	2.30
Lentils:		
New crop	4.85-6.65	---
5 mm	---	6.40
6 mm	---	9.90
7 mm	---	12.00

South African Corn Crop Below Last Year's

The Republic of South Africa has announced the second estimate of the current 1964-65 crop as 4.1 million metric tons (161 mil. bu.). This compares with 4.2 million tons a year ago and 6.1 million in 1962-63.

The second estimate of the kafircorn crop is 348,000 tons (13.7 mil. bu.), up from 241,000 tons in 1963-64.

The drought, which began in late January, was responsible for the short corn crop. Heat waves were also an important contributing factor. In view of the short supply, little, if any, corn will be available for export from South Africa during the current marketing year. The supply of white corn may be just enough to meet consumption requirements. There are larger quantities of yellow corn; however, exports are prohibited until October 1965, at which time the situation will be reviewed to determined whether exports can be allowed.

A tentative projection of the country's corn supply and distribution follows:

PROJECTED SUPPLY AND DISTRIBUTION OF WHITE AND YELLOW CORN IN THE REPUBLIC OF SOUTH AFRICA

Type	Carryover May 1, 1965	Production	Supply	Domestic disappearance	Carryover April 30, 1966
	1,000 metric tons	*1,000 metric tons*	*1,000 metric tons*	*1,000 metric tons*	*1,000 metric tons*
White	90	2,540	2,630	2,630	0
Yellow	180	1,540	1,720	1,040	680
Total	270	4,080	4,350	3,670	680

Italian Butter and Dry Milk Imports Decline

Italy's 1964 imports of butter, at 60 million pounds, were 27 million pounds less than the record imports of 1963. Shipments from each of the main European suppliers were considerably less than in the year before, offsetting an appreciable increase in shipments from the Western Hemisphere. The United States shipped 14 million pounds, 5 million more than in 1963; and Canada, a new supplier, shipped 6 million.

Italy imported 63 million pounds of nonfat dry milk in 1964, 2 million less than in 1963. The United States became the leading supplier, accounting for 68 percent of total imports, compared with 34 percent in 1963.

Hamburg's Prices on Canned Fruit and Juices

Importer's selling prices (landed, duty paid, free exquay) to wholesalers, Hamburg, Germany, on orders of up to $625 for selected canned fruits and juices in April 1964, January 1965, and April 1965 are compared in the tabulation that appears below.

Type and quality	Size of can	Price per dozen units: April 1964	Jan. 1965	April 1965	Origin
CANNED FRUIT:		*U.S. dol.*	*U.S. dol.*	*U.S. dol.*	
Apricots:					
Halves	2½	3.60	3.45	3.45	S. Africa
Do.	15 oz.	(1)	1.71	1.71	Spain
Do.	2½	3.72	3.33	3.30	Greece
Peaches, halves:					
Choice	2½	483	3.78	3.93	U.S.
Do.	2½	4.08	3.63	3.66	Argentina
Do.	2½	(1)	(1)	3.69	Australia
Do.	No. 10	17.10	14.85	14.94	U.S.
Standard	No. 10	10.38	12.75	13.08	S. Africa
Pear halves, Choice	2½	(1)	3.63	3.78	U.S.
Do.	2½	(1)	3.75	3.75	Argentina
Fruit cocktail, Choice	1 tall	4.17	4.26	4.26	Italy
Do.	2½	5,28	4.74	4.56	U.S.
Do.	2½	(1)	(1)	4.44	Australia
Do.	No. 10	(1)	19.11	18.81	U.S.
Fruit salad	No. 10	(1)	(1)	16.65	Australia
Pineapple, slices:	15 oz.	2.56	2.48	2.37	Spain
Fancy	2½	(1)	4.17	4.26	Philippines
Choice	2½	4.77	4.56	4.50	U.S.
Do.	2½	3.48	3.48	3.72	S. Africa
Do.	1 tall	2.16	2.12	2.08	Malaya
CANNED JUICE					
Orange, unsweetened	½ din[2]	1.68	1.50	1.50	U.S.
Do.	No. 2	(1)	1.74	1.68	U.S.
Do.	No. 2	2.06	1.74	1.68	Israel
Do.	No. 2	1.94	1.65	1.56	S. Africa
Do.	No. 2	1.94	1.68	1.53	Greece
Grapefruit, unsweetened	½ din[2]	1.68	1.50	1.50	U.S.
Do.	No. 2	(1)	2.13	2.10	U.S.
Do.	No. 2	2.20	1.95	1.90	Israel
Do.	No. 2	2.12	1.96	1.88	S. Africa

[1] No quotations. [2] Net content 390 grams.

Canned Fruit and Juice Prices in London

Selling prices in London (landed duty paid) of selected canned fruits and juices are given in the following table.

Type and quality	Size of can	Price per dozen units: April 1964	Jan. 1965	April 1965	Origin
CANNED FRUIT					
Apricots:		*U.S. dol.*	*U.S. dol.*	*U.S. dol.*	
Whole, unpeeled, Choice	303	2.52	2.41	2.33	U.S.
Halves:					
Choice	2½	1.84	4.16	4.16	U.S.
Do	2½	3.32	3.34	3.44	Australia
Do	2½	3.08	2.92	2.92	S. Africa
Do	15 oz.	1.72	1.72	1.71	S. Africa
In syrup	15 oz.	1.50	1.58	1.54	Spain
Standard	2½	(1)	3.71	3.59	U.S.
Peaches, halves:					
Fancy	2½	3.32	3.27	3.31	S. Africa
Do	2½	3.54	3.41	3.41	Australia
Choice	2½	3.72	3.68	3.90	U.S.
Do	2½	3.18	3.01	3.04	S. Africa
Do	2½	3.32	3.34	3.34	Australia
Standard	2½	3.14	3.36	3.13	U.S.
Pears, halves:					
Fancy	2½	3.46	3.48	3.52	S. Africa
Do	2½	3.68	3.55	3.55	Australia
Choice	2½	(1)	4.60	4.30	U.S.
Do	2½	3.32	3.22	3.26	S. Africa
Do	2½	3.46	3.34	3.34	Australia
In syrup	15 oz.	2.03	2.06	(1)	Italy
Fruit coctkail, choice	303	2.76	2.46	2.61	U.S.
Do	15 oz.	2.00	2.00	(1)	Spain
Do	8 oz.	1.60	1.48	1.54	U.S.
Grapefruit sections:					
Fancy	303	2.80	2.61	2.61	U.S.
No. 2	20 oz.	2.42	2.62	2.62	Israel
Quality not specified	20 oz.	2.57	2.10	2.52	W. Indies
Pineapple slices:					
Fancy	16 oz.	1.78	1.76	1.78	S. Africa
Standard, spiral	20 oz.	1.82	1.92	1.92	Malaya
CANNED JUICE[2]					
Orange	46 oz.	(1)	3.95	3.95	U.S.
Do	43 oz.	4.48	4.44	4.58	Israel
Do	19 oz.	2.00	1.96	1.96	Israel
Do	No. 2	2.01	2.03	2.03	W. Indies
Do	No. 2	(1)	1.92	1.92	U.S.
Grapefruit	19 oz.	1.86	2.00	1.92	Israel
Do	No. 2	2.60	1.27	1.27	U.S.
Do	No. 2	(1)	1.94	1.92	W. Indies

[1] Not quoted. [2] Sweetened, single strength.

U.S. Tobacco Imports Rise in March

U.S. exports of unmanufactured tobacco in March 1965, at 44 million pounds, were nearly double those of March 1964. The export value was $32.6 million, compared with $19.1 million.

This sharp increase in exports marked the ending of the dock strike, which had curtailed exports during the 2 previous months. Exports of all kinds of tobacco, except burley, Maryland, and cigar wrapper, were larger than those of March 1964.

Total exports for the first 3 months of calendar 1965 were 41 percent below those of the similar 1964 period. For the first 9 months of fiscal 1965, exports were about 366 million pounds, compared with 427 million in the same period of fiscal 1964.

Exports of tobacco products in March 1965 were valued at $13 million, compared with $10.9 million in March 1964. For the first 3 months of calendar 1965, the total value of tobacco product exports was $22.9 million, compared with $28.5 million for January-March 1964. All kinds of products, except smoking tobacco in bulk, were smaller this year.

U.S. EXPORTS OF UNMANUFACTURED TOBACCO
(Export weight)

Kind	March 1964	March 1965	January-March 1964	January-March 1965	Change from 1964
	1,000 pounds	*1,000 pounds*	*1,000 pounds*	*1,000 pounds*	*Percent*
Flue-cured	17,157	31,910	76,893	39,786	−48.3
Burley	3,595	3,480	7,438	4,148	−44.2
Dark-fired Ky.-Tenn.	348	4,630	3,061	4,919	+60.7
Va. fire-cured[1]	566	1,019	1,642	1,226	−25.3
Maryland	723	597	2,555	1,017	−60.2
Green River	---	54	132	78	−40.9
One Sucker	---	11	24	11	−54.2
Black Fat, etc.	269	596	630	648	+ 2.9
Cigar wrapper	681	374	1,200	630	−47.5
Cigar binder	100	161	884	470	−46.8
Cigar filler	15	30	47	88	+87.2
Other	144	1,104	2,300	3,954	+71.9
Total	23,598	43,966	96,806	56,975	−41.1
	Mil. dol.	*Mil. dol.*	*Mil. dol.*	*Mil. dol.*	*Percent*
Declared value	19.1	32.6	76.6	41.8	−45.4

[1] Includes sun-cured.
Bureau of the Census.

U.S. EXPORTS OF TOBACCO PRODUCTS

Product	March 1964	March 1965	January-March 1964	January-March 1965	Change from 1964
Cigars and cheroots					*Percent*
1,000 pieces	5,192	5,426	10,499	9,248	−11.9
Cigarettes					
Million pieces	2,107	2,333	5,652	4,380	−22.5
Chewing and snuff					
1,000 pounds	22	57	90	63	−30.0
Smoking tobacco in pkgs.					
1,000 pounds	192	90	338	138	−59.2
Smoking tobacco in bulk					
1,000 pounds	728	1,837	1,901	2,307	+21.4
Total declared value					
Million dollars	10.9	13.0	28.5	22.9	−19.6

Bureau of the Census.

West Germany Uses More U.S. Leaf Tobacco

The use of U.S. tobaccos by West German manufacturers (including West Berlin) continued upward through 1964, setting a new record of 85.8 million pounds, compared with 80.0 million in 1963 and 76.9 million in 1962. Increased use of flue-cured and Maryland more than offset declines in that of burley, Kentucky, and cigar types.

WEST GERMANY'S USE OF U.S. TOBACCO

Kind	1962[1]	1963[1]	1964[1]
	1,000 pounds	*1,000 pounds*	*1,000 pounds*
Flue-cured	62,597	65,430	71,615
Burley	11,043	10,904	10,891
Kentucky[2]	584	485	478
Maryland	840	904	979
Cigar leaf	1,830	2,269	1,818
Total	76,894	79,992	85,781

[1] Includes West Berlin. [2] Source of information does not show breakdown by kinds of tobacco included in this category.

The use of U.S. tobaccos in the production of cigarettes last year totaled 76.6 million pounds—up 8.9 percent from the 70.4 million used in 1963. This represented 36.7 percent of total leaf used in production of cigarettes compared with 35.5 percent in 1963 and 35.0 percent each for both 1962 and 1961. Flue-cured represented 85.2 percent of total U.S. tobaccos used in cigarettes, compared with 83.9 percent in 1963 and 83.2 percent in 1962. Use

of U.S. burley dropped to 13.6 percent from 14.9 percent in 1963 and 15.7 percent in 1962. Kentucky still accounts for 0.2 percent, and Maryland, for 1.0 percent.

U.S. tobaccos used in cigar production in 1964 dropped to 1,874,000 pounds from 2,317,000 in 1963, representing 3.2 percent of total leaf used in cigar, compared with 4.1 percent in 1963 and 3.2 percent in 1962.

The use of U.S. tobaccos in the combined production of finecut tobaccos (for roll-your-own cigarettes), smoking mixtures for pipes, chewing tobacco, and snuff continued to decline through 1964. U.S. leaf used in the production of these products amounted to 7,315,000 pounds, or 38.2 percent of the total, compared with 7,321,000, or 40.0 percent of the total, in 1963 and 7,637,000 pounds, or 40.7 percent of the total, in 1962. Of the U.S. tobacco, 87.3 percent was flue-cured, 6.3 burley, 4.3 Kentucky, and 2.1 Maryland.

Stocks of U.S. tobaccos held by German manufacturers and dealers on December 31, 1964, totaled 73.3 million pounds, compared with 77.0 million held on December 31, 1963. These were equivalent to 10.3 months' supply based on usings during 1964.

Turkey's Tobacco Exports Up

Turkey's exports of unmanufactured tobacco during 1964, at 125.6 million pounds, recovered somewhat from the abnormally low level of 98.3 million pounds in 1963 but were still moderately small in relation to the large carryin and the record 1963 crop.

Increased exports to the United States, West Germany Hungary, the United Kingdom, Israel, and the Netherlands last year more than offset smaller shipments to Poland, East Germany, Switzerland, Belgium-Luxembourg, Japan, Finland, the Soviet Union, Czechoslovakia, and France. Shipments to the United States rose to 78.6 million pounds from 52.1 million in 1963 but were still considerably below the 101.8 million for 1962. Exports to West Germany totaled 15.7 million pounds, compared with 10.8 million in 1963 and 20.4 million in 1962.

TURKEY'S EXPORTS OF UNMANUFACTURED TOBACCO

Destination	1962	1963	1964[1]
	1,000 pounds	*1,000 pounds*	*1,000 pounds*
United States	101,839	52,108	78,614
Germany, West	20,408	10,752	15,659
Poland	4,199	5,302	4,061
Hungary	5,668	686	3,578
Germany, East	2,342	5,049	3,446
Switzerland	3,858	3,739	3,053
Italy	23,824	---	2,216
Belgium-Luxembourg	4,745	2,114	1,927
United Kingdom	209	397	1,512
Israel	565	1,005	1,292
Austria	2,475	1,160	1,190
Japan	1,726	2,597	1,171
Finland	1,899	1,354	1,089
Netherlands	976	657	988
Soviet Union	2,133	2,385	866
Czechoslovakia	9,107	4,471	858
France	4,139	1,466	---
Others	9,814	3,090	4,122
Total	199,926	98,332	125,642

[1] Preliminary; subject to revision.

Average export prices per pound of leaf tobacco shipped to major destinations during 1964 (comparisons for 1963 in parentheses) in terms of U.S. equivalents were the United States 74.5 cents (70.4 cents), West Germany 69.9 (64.3), Poland 87.2 (80.0), Switzerland 72.3 (66.8), the Netherlands 55.5 (53.4), Belgium-Luxembourg 46.8 (58.6), and the Soviet Union 80.4 (60.3). The average export price per pound of all leaf shipments in 1964 was equivalent to 73.7 U.S. cents, compared with 70.1 in 1963, 49.0 in 1962, and 45.5 in 1961.

Exports during calendar 1965 should set a new high, based on a record carryover from 1963 and prior crops plus the new alltime high 1964 oriental harvest, currently placed at 390.5 million pounds. The drop, by more than 20 percent, in grower prices for the 1964 Aegean crop tobacco should also contribute to larger exports in 1965.

New Zealand's Tobacco Imports

New Zealand's imports of unmanufactured tobacco in 1964, at 4.7 million pounds, were about the same as those for 1963. However, imports from the United States were up by about 10 percent to 3.4 million.

Rhodesia was the second-ranking supplier, with nearly 1.2 million pounds against 1.3 million in 1963. Purchases from the Republic of South Africa in 1964 were 78,000 pounds, and those from India, 50,000. A combined total of 21,000 pounds came from Indonesia, Syria, and Brazil.

NEW ZEALAND'S IMPORTS OF UNMANUFACTURED TOBACCO

Origin	1962	1963	1964
	1,000 pounds	*1,000 pounds*	*1,000 pounds*
United States	4,443	3,113	3,401
Rhodesia	1,234	1,315	1,163
South Africa, Rep. of	186	164	78
India	---	---	50
Indonesia	51	40	12
Syria	6	4	5
Brazil	26	15	4
Others	60	41	---
Total	6,006	4,692	4,713

Spanish Tobacco Imports Increase

Imports of unmanufactured tobacco by the Spanish Tobacco Monopoly in 1964 totaled 60.3 million pounds—up 25.6 percent from the 48 million purchased in 1963.

Larger takings from all major sources accounted for the increase. These big suppliers were Brazil 20.1 million pounds, the Philippines 19.3 million, Cuba 4.4 million, the United States 4.0 million, and Colombia 2.0 million.

SPAIN'S IMPORTS OF UNMANUFACTURED TOBACCO[1]

Origin	1963	1964
	1,000 pounds	*1,000 pounds*
Brazil	13,697	20,139
Philippines	17,853	19,310
Cuba	3,305	4,440
United States	1,872	4,019
Colombia	2,169	2,015
Others[2]	9,078	10,335
Total	47,974	60,258

[1] Excludes Canary Islands and Ceuta. [2]Believed to be largely Dominican Republic and Paraguay.
Spanish Tobacco Monopoly.

U.S. Cotton Exports Increase in March

U.S. cotton exports in March totaled 584,000 bales, 19 percent above the 490,000 bales exported in March of 1964. February exports, at only 181,000 bales, were down

sharply from the 570,000 bales exported in February 1964.

Exports of all types of cotton in the first 8 months (August-March) of the 1964-65 season amounted to 2,739,000 bales, 28 percent below the 3,795,000 bales exported in the same period a year ago.

U.S. COTTON EXPORTS BY DESTINATION

(Running bales)

Destination	Average 1955-59	Year beginning August 1		August-March	
		1962	1963	1963	1964
	1,000 bales	*1,000 bales*	*1,000 bales*	*1,000 bales*	*1,000 bales*
Austria	33	13	23	13	8
Belgium-Luxembourg	160	72	176	116	61
Bulgaria	0	0	19	19	0
Denmark	17	13	16	9	5
Finland	22	13	10	9	10
France	360	180	380	297	147
Germany, West	475	101	401	349	187
Hungary	0	0	18	6	0
Italy	416	192	441	306	220
Netherlands	124	71	127	107	56
Norway	10	10	14	11	10
Poland & Danzig	85	62	132	51	66
Portugal	28	7	35	19	16
Spain	171	(1)	14	10	14
Sweden	75	56	88	73	44
Switzerland	64	37	95	79	56
United Kingdom	525	139	286	202	107
Yugoslavia	108	113	78	4	89
Other Europe	17	3	20	4	6
Total Europe	2,690	1,082	2,373	1,684	1,102
Australia	54	41	91	59	43
Canada	217	271	448	264	229
Chile	35	24	2	1	(1)
Colombia	33	1	14	8	(1)
Cuba	27	0	0	0	0
Ethiopia	4	15	9	8	(1)
Hong Kong	134	79	187	131	84
India	184	198	314	152	82
Indonesia	30	51	20	20	47
Iraq	0	0	20	15	0
Israel	16	7	26	12	13
Japan	1,154	895	1,300	912	666
Korea, Republic of	205	236	313	190	156
Morocco	10	8	15	10	10
Pakistan	14	8	8	2	5
Philippines	64	108	140	83	50
South Africa	26	19	37	23	34
Taiwan (Formosa)	153	223	189	122	118
Thailand	4	22	39	28	21
Uruguay	15	0	(1)	(1)	0
Venezuela	2	5	12	11	5
Vietnam[2]	2	36	75	48	40
Other countries	27	22	28	12	34
Total	5,100	3,351	5,660	3,795	2,739

[1] Less than 500 bales. [2] Indochina prior to 1958. Includes Laos and Cambodia.

Yugoslav Sunflower Plantings To Expand Further

Sunflowerseed plantings in Yugoslavia this spring are provisionally estimated at 432,400 acres—one-fifth above the 360,000 acres planted in 1964 and more than double the annual average for 1955-59.

The marked rise came mainly because rainy weather late in 1964 prevented usual seedings to winter wheat. It is reported that wheat acreage was reduced by as much as a million acres, most of which is to be shifted to production of corn and oilseed crops.

On the basis of the provisional acreage estimate and average annual yields during the 1960-64 period, Yugoslav sunflowerseed production in 1965 may approximate 270,000 short tons.

The upward trend in yields in recent years is said to reflect increased use of Russian varieties of seed. Consequently, the resultant gain in oil outturn during recent years probably exceeds that of seed production, as such, reflecting the higher extraction rates obtained from these varieties.

YUGOSLAV SUNFLOWERSEED PLANTINGS, YIELDS, AND PRODUCTION

Year	Plantings	Yield	Production
	1,000 acres	*Pounds per acre*	*1,000 short tons*
Average 1955-59	206.8	954	98.6
1960	182.1	1,191	108.4
1961	212.5	1,214	129.0
1962	240.7	1,246	[3]150.0
1963	345.9	1,214	[3]210.0
1964	360.8	1,386	[3]250.0
1965	[2]432.4	[3]1,250	[4]270.0

[1] Estimated. [2] Preliminary. [3] Average yield in 1960-64 period. [4] Forecast.

Compiled from official and other sources.

Chile's Sunflowerseed, Rapeseed Output Increases

Chilean production of oilseeds is estimated to have gained significantly in 1964-65 from the previous year. Most of the increase was in rapeseed, for which there was an expansion in acreage, as well as larger yields. However, sunflowerseed production is also estimated to have increased somewhat, because of a larger acreage. The entire outturn of both crops, except farm retentions for seed purposes, is crushed for domestic use.

Production of edible vegetable oils, refined basis, in 1965 is expected to approximate 55,000 short tons compared with 42,971 in 1964.

Oilseed meal output, largely rapeseed and sunflowerseed, in 1965 may approximate 57,600 tons compared with 43,832 in 1964. Consequently cake and meal exports, which in 1964 amounted to 22,747 tons, may also gain significantly.

CHILE'S SUNFLOWERSEED AND RAPESEED ACREAGES, YIELDS PER ACRE, AND PRODUCTION

Item and year	Harvested area	Yield	Production
	1,000 acres	*Pounds per acre*	*1,000 short tons*
Sunflowerseed:			
1960-61	76.6	956	36.6
1961-62	74.4	949	35.3
1962-63	77.8	1,121	43.6
1963-64[1]	78.1	1,273	49.7
1964-65[2]	83.0	1,248	51.8
Rapeseed:			
1960-61	87.5	937	41.0
1961-62	73.1	862	31.5
1962-63	104.5	1,070	55.9
1963-64[1]	108.7	1,034	56.2
1964-65[2]	117.9	1,377	81.2

[1] Revised. [2] Preliminary.

Malagasy's Vanilla Exports Up

Exports of vanilla beans from the Malagasy Republic during 1964 totaled 1,384,000 pounds, more than double 1963 shipments but slightly below the 1,411,000 pounds exported in 1962. Most all of the exports were to the United States—the world's largest vanilla importer.

Malagasy has a quota of 926,000 pounds for vanilla bean exports to the United States during the first half of 1965. Negotiations for establishing quotas for the remainder of the year will be undertaken in June or July.

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Argentine Honey Exports May Increase

The recent devaluation of the Argentine peso may result in a slight increase in the country's exports of honey.

Export prices at the end of April were quoted at $225 per metric tons, in drums, f.o.b. Buenos Aires. This is about $10 per ton lower than prices before the devaluation —a reduction that could contribute to exports exceeding the high 1964 level of 43.2 million pounds.

Because of a large 1964 crop—66 million pounds—plus an unusually big carryover of 13 million, Argentina is promoting both exports and domestic consumption.

Yugoslavia's Soft Hemp Output Up in 1964

Based on official estimates of dry stalk output, Yugoslavia's 1964 production of soft hemp fiber and tow approximated 49,600 metric tons, as compared with 43,500 in 1963. This increase was due mainly to higher yields, as the area sown to hemp in 1964—111,200 acres—was only slightly larger than that in 1963.

Yugoslavia is a major exporter of soft hemp fiber, with 1964 exports to all countries totaling 9,787 tons valued at $1.68 million. The United States imports insignificant quantities of hemp fiber, practically all from Yugoslavia.

Mozambique To Construct First Sugar Refinery

A new enterprise in Mozambique has announced that it plans to build a sugar refinery, named Maragra, near Lourenco Marques. It is reported that 80 percent of Maragra's equipment will be supplied by a large machine-and-tool manufacturing company in Durban, South Africa.

Part of the new refinery is scheduled to begin operations early next year. It will have an initial capacity to mill 20,000 metric tons of sugar a year. Plans are to double this capacity by 1967 and to expand it to 60,000 tons thereafter.

Currently about 1,800 hectares (4,448 acres) of land are being cleared for planting the first cane for the refinery. About 60 percent of production will consist of refined sugar for the domestic market, and the other 40 percent, of unrefined sugar for the metropolitan market. Around half of the cane refined at Maragra will come from individual growers settled in the area.

Mozambique presently produces almost 200,000 metric tons of sugar annually.

Guatemala's Honey Exports, Production Down

Guatemala's 1964 honey exports, at 3.7 million pounds, were down 47 percent from the 7.0 million exported in 1963. West Germany continued as the most important foreign market, taking 76 percent of the total. Significant quantities were also shipped to Belgium, the United Kingdom, Holland, and Switzerland.

Honey production in Guatemala also declined in 1964, by 37 percent to only 4.0 million pounds. Prospects for 1965 are for another crop of about 4 million pounds. Domestic honey consumption amounts to nearly 300,000 pounds.

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